

Message Text

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ORIGIN EB-11

INFO OCT-01 ARA-16 ISO-00 FEA-02 TRSE-00 SCI-06 CAB-09

CIAE-00 COME-00 DODE-00 DOTE-00 INR-10 NSAE-00 RSC-01

FAA-00 L-03 SS-20 NSC-07 DRC-01 /087 R

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R 031613Z JUN 74

FM SECSTATE WASHDC

TO AMEMBASSY MEXICO

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E.O. 11652: N/A

TAGS: ETRN, MX

SUBJECT: CIVAIR - JET FUEL

REF: MEXICO 4238

1. PER QUERY IN PARA. 3 OF REFTTEL, YOU MAY INFORM US
MANAGERS AS FOLLOWS:

(A) EXPORT ADMINISTRATION BULLETIN NUMBER 110 DATED FEB. 7,
1974, PLACES IMPORTED OR DOMESTICALLY PRODUCED KEROSENE JET
FUEL UNDER QUANTITATIVE EXPORT LICENSING LIMITATIONS. TO
OBTAIN A LICENSE UNDER THIS REGULATION ADMINISTERED BY THE
DEPT OF COMMERCE, AN EXPORTER HAS TO SHOW AN HISTORICAL
PATTERN OF EXPORTS TO THE IMPORTING COUNTRY.

(B) ACCORDING TO CAB, FOR THE MONTH OF APRIL, ON EXISTING
CONTRACTS, THE AVERAGE PRICE IN THE US FOR DOMESTIC JET
FUEL (INCLUDING ALL LONG TERM CONTRACTS) WAS 20.8 CENTS
PER GALLON. ON NEW CONTRACTS, THE AVERAGE PRICE WAS 35
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CENTS PER GALLON. DURING SAME PERIOD, THE AVERAGE PRICE

OF BONDED FUEL WAS 35 TO 38 CENTS PER GALLON.

(C) AS FOR THE PRICES PAID BY MEXICAN CARRIERS, WE DO NOT HAVE BREAKDOWN BY CARRIER.

2. INFORMATION SUBMITTED SO FAR IS INSUFFICIENT TO SUBSTANTIATE CHARGE OF DISCRIMINATION IN PEMEX PRICING POLICIES. IF AVAILABLE, DEPT WOULD BE INTERESTED IN

RECEIVING ADDITIONAL ADDITIONAL CORROBORATING DATA RE ALLEGED DISCRIMINATION.

2. UNDER 211.145 (B) OF THE FEDERAL ENERGY ADMINISTRATION REGULATIONS, THE FEA IS REQUIRED TO ALLOCATE JET FUEL ON A NONDISCRIMINATORY BASIS AMONG FOREIGN CARRIERS-- "SUBJECT TO MODIFICATION FOLLOWING CONSULTATION WITH APPROPRIATE FEDERAL AGENCIES ON A CASE BY CASE BASIS IF REQUIRED TO ENCOURAGE RECIPROCAL NON DISCRIMINATORY ALLOCATION OF AVIATION FUEL FOR US CARRIERS ENGAGED IN INTERNATIONAL FLIGHTS." IF EMBASSY OR CARRIERS FIND EVIDENCE OF DISCRIMINATION IN PRACTICE, FACTS SHOULD BE REFERRED TO DEPARTMENT PROMPTLY.

3. WESTERN AIRLINE REPRESENTATIVES HERE HAVE INFORMED DEPT. THAT IN CONNECTION WITH FUEL PRICE INCREASES, THEY ARE ALSO NOW REQUIRED TO PURCHASE FUEL FROM NACOA, PAYING 2.4 CENTS PER GALLON PUMPING CHARGE. WESTERN PREVIOUSLY PURCHASED DIRECT FROM PEMEX, PAYING 2 CENTS PER GALLON FOR HANDLING. WESTERN REPS SAID THEY WERE NOTIFIED BY MEXICAN AUTHORITIES THAT THEY WOULD BE REQUIRED TO CONTINUE PAYING THIS CHARGE TO PEMEX, AS WELL AS ADDITIONAL NEW FEE TO NACOA, THUS RAISING TOTAL HANDLING CHARGES TO 4.4 CENTS PER GALLON. EMBASSY REQUESTED INVESTIGATE, ABOVE AND DETERMINE WHETHER OTHER U.S. AND/OR FOREIGN CARRIERS ARE BEING REQUIRED PAY SIMILAR CHARGES. KISSINGER

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